

Adopted	Rejected
---------	----------

## COMMITTEE REPORT

YES:	9
NO:	4

### MR. SPEAKER:

*Your Committee on Public Policy, Ethics and Veterans Affairs, to which was referred House Bill 1598, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Page 1, delete lines 1 through 17.
- 2 Page 2, delete lines 1 through 18.
- 3 Page 2, between lines 31 and 32, begin a new paragraph and insert:
- 4 "SECTION 2. IC 4-31-2-1.5 IS ADDED TO THE INDIANA CODE
- 5 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 6 1, 2003]: **Sec. 1.5. "Allowed city" means a city that has a population**
- 7 **that is greater than two hundred thousand (200,000)."**
- 8 Page 2, line 35, after "public" insert "**at a facility authorized under**
- 9 **IC 4-33-7.5"**.
- 10 Page 2, line 37, after "pool" insert ".".
- 11 Page 2, line 37, delete "consisting of the total amount".
- 12 Page 2, delete lines 38 through 40.
- 13 Page 3, line 15, delete "January 1, 2002;" and insert "**July 1, 2003;**".
- 14 Page 3, line 16, after "(2)" insert "**operates or**".
- 15 Page 3, line 16, delete "a county" and insert "**an allowed city**".

- 1 Page 3, delete line 17.
- 2 Page 4, line 32, delete "January 1, 2002;" and insert "**July 1, 2003;**".
- 3 Page 4, line 33, after "(2)" insert "**operates or**".
- 4 Page 4, line 33, delete "a county" and insert "**an allowed city.**".
- 5 Page 4, delete line 34.
- 6 Page 6, line 21, delete "January 1, 2002;" and insert "**July 1, 2003;**".
- 7 Page 6, line 22, after "(2)" insert "**operates or**".
- 8 Page 6, line 22, delete "a county" and insert "**an allowed city.**".
- 9 Page 6, delete line 23.
- 10 Page 7, line 19, strike "four (4)" and insert "**two (2)**".
- 11 Page 8, delete lines 23 through 27, begin a new line block indented
- 12 and insert:  
  - 13 **"(6) Satellite facilities are limited to the following locations:**
  - 14 **(A) An allowed city.**
  - 15 **(B) A city, other than an allowed city, in which the permit**
  - 16 **holder's satellite facility operations began before March 1,**
  - 17 **2003.**
  - 18 **(7) A permit holder may not hold more than one license issued**
  - 19 **for the operation of a satellite facility in an allowed city,**
  - 20 **unless the permit holder holds a license issued for the**
  - 21 **operation of a satellite facility in an allowed city jointly with**
  - 22 **another permit holder.**
  - 23 **(c) The number of licenses issued for the operation of a satellite**
  - 24 **facility in the allowed cities may not exceed two (2). However, an**
  - 25 **allowed city may not contain more than one (1) satellite facility. A**
  - 26 **license issued for the operation of a satellite facility in an allowed**
  - 27 **city may be jointly held by more than one (1) permit holder.**
  - 28 **(d) Notwithstanding any other provision of this chapter, a**
  - 29 **permit holder licensed to sell pari-mutuel pull tabs under**
  - 30 **IC 4-31-7.5 shall surrender any satellite facility license held by the**
  - 31 **permit holder for the operation of a satellite facility at any location**
  - 32 **other than a location specified in subsection (b)(6).**
  - 33 **(e) If:**
    - 34 **(1) a permit holder is issued a license under IC 4-31-7.5 to sell**
    - 35 **pari-mutuel pull tabs at a satellite facility located in an**
    - 36 **allowed city; and**
    - 37 **(2) the permit holder is operating a satellite facility in an**
    - 38 **allowed city under a license issued before March 1, 2003;**

1 the permit holder shall cease operations at the satellite facility  
 2 described in subdivision (2) and surrender the license under which  
 3 the satellite facility had been operated before commencing  
 4 operations at a satellite facility licensed to sell pari-mutuel pull  
 5 tabs."

6 Page 10, line 31, delete "and".

7 Page 10, between lines 31 and 32, begin a new line block indented  
 8 and insert:

9 **"(6) a voluntary exclusion program; and".**

10 Page 10, line 32, delete "(6)" and insert "(7)".

11 Page 11, between lines 25 and 26, begin a new paragraph and insert:

12 **"(g) The Indiana gaming commission may not issue a license**  
 13 **under this chapter unless the permit holder has executed an**  
 14 **agreement with the mayor of an allowed city concerning the**  
 15 **conditions under which the city and the permit holder agree that**  
 16 **a satellite facility should be located and operated in the city. An**  
 17 **agreement under this subsection:**

18 **(1) must promote the public health, safety, and welfare of the**  
 19 **city;**

20 **(2) may include provisions for revenue sharing, grants,**  
 21 **housing development, employment opportunities, investment,**  
 22 **assistance with the satellite facility, use of revenues, and any**  
 23 **other terms and conditions mutually agreed upon; and**

24 **(3) must be executed before April 1, 2004.**

25 **An agreement executed under this subsection is binding upon the**  
 26 **issuance of a license under this chapter by the Indiana gaming**  
 27 **commission, subject to the other provisions of this chapter. The**  
 28 **agreement may not supersede any applicable zoning laws. The**  
 29 **permit holder is under a continuing duty to remain in compliance**  
 30 **with the terms of the agreement executed under this subsection to**  
 31 **retain the permit holder's pari-mutuel pull tab license. The Indiana**  
 32 **gaming commission may revoke a pari-mutuel pull tab license for**  
 33 **noncompliance with the terms of an agreement executed under this**  
 34 **subsection.**

35 **(h) Money received by any unit of government under an**  
 36 **agreement executed under subsection (g) is considered**  
 37 **miscellaneous revenue. The money may not be used to reduce the**  
 38 **unit's maximum levy under IC 6-1.1-18.5 or IC 6-1.1-19, but may**

be used at the discretion of the unit to reduce the property tax levy for a particular year. The money may be used for any legal or corporate purpose of the unit, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4. In the case of an allowed city subject to IC 36-7-15.1-35.5, the agreement executed under subsection (g) must dedicate at least twenty percent (20%) of the money received under the agreement to the housing trust fund established under IC 36-7-15.1-35.5(e).

(i) Notwithstanding any other law, a permit holder may not sell pari-mutuel pull tabs at the permit holder's race track until the permit holder has executed an agreement with the mayor of an allowed city under subsection (g).".

Page 12, line 22, after "in" delete "a" and insert "an allowed city".

Page 12, delete lines 23 through 27, begin a new paragraph and insert:

**"Sec. 10. A permit holder may not install more than:**

**(1) seven hundred fifty (750) pull tab terminals or devices on the premises of the permit holder's live pari-mutuel horse racing facility; and**

**(2) one thousand five hundred (1,500) pull tab terminals or devices on the premises of the permit holder's satellite facility located in an allowed city."**

Page 13, between lines 34 and 35, begin a new paragraph and insert:

**"Sec. 20. (a) The Indiana gaming commission may eject or exclude or authorize the ejection or exclusion of a person from a pari-mutuel pull tab wagering facility if:**

**(1) the person's name is on the list of persons voluntarily excluding themselves from all pari-mutuel pull tab facilities in a program established under the rules of the Indiana gaming commission;**

**(2) the person violates this chapter; or**

**(3) the Indiana gaming commission determines that the person's conduct or reputation is such that the person's presence within the pari-mutuel pull tab wagering facility may:**

**(A) call into question the honesty and integrity of the pari-mutuel pull tab operations; or**

**(B) interfere with the orderly conduct of the pari-mutuel**

1 pull tab operations.

2 (b) A person may petition the Indiana gaming commission for  
3 a hearing on the person's ejection or exclusion under this section."

4 Page 14, line 34, delete "of:" and insert "of thirty-one percent  
5 (31%).".

6 Page 14, delete lines 35 through 42.

7 Page 15, delete lines 1 through 5.

8 Page 15, delete lines 23 through 42.

9 Delete pages 16 through 18.

10 Page 19, delete lines 1 through 23, begin a new paragraph and  
11 insert:

12 "(c) Before the fifteenth day of each month, the treasurer of  
13 state shall distribute the tax revenue deposited in the state pull tab  
14 wagering fund under this section in the preceding months as  
15 follows:

16 (1) Thirty percent (30%) of the tax revenue remitted by each  
17 permit holder's racetrack shall be paid as follows:

18 (A) In the case of a racetrack that is located in a county  
19 having a population of more than one hundred thirty  
20 thousand (130,000) but less than one hundred forty-five  
21 thousand (145,000), the tax revenue remitted by the  
22 racetrack shall be paid as follows:

23 (i) Fifty-eight percent (58%) to a city having a  
24 population of more than fifty-nine thousand seven  
25 hundred (59,700) but less than sixty-five thousand  
26 (65,000).

27 (ii) Seventeen percent (17%) to the capital projects fund  
28 of the county for distribution by the county legislative  
29 body.

30 (iii) Seventeen percent (17%) to the school corporations  
31 located in the county. The tax revenue distributed under  
32 this item must be divided among the school corporations  
33 on a pro rata basis according to the ratio the number of  
34 county resident students enrolled in each school  
35 corporation bears to the total number of county resident  
36 students enrolled in the school corporations located in  
37 the county. Revenue received by a school corporation  
38 under this item is considered miscellaneous revenue.

(iv) Eight percent (8%) to the incorporated cities and towns located in the county other than a city described in item (i). The tax revenue distributed under this item must be divided among the cities and towns on a pro rata basis according to the ratio the population of each city or town bears to the total population of the county minus the population of a city described in item (i).

(B) In the case of a racetrack that is located in a county having a population of more than forty-three thousand (43,000) but less than forty-five thousand (45,000), the tax revenues remitted by the racetrack shall be paid as follows:

(i) Forty-one and five-tenths percent (41.5%) to the county.

(ii) Forty-one and five-tenths percent (41.5%) to a city having a population of more than seventeen thousand nine hundred (17,900) but less than eighteen thousand one hundred (18,100).

(iii) Seventeen and five-tenths percent (17.5%) to the school corporations located in the county. The tax revenue distributed under this item must be divided among the school corporations on a pro rata basis according to the ratio the number of county resident students enrolled in each school corporation bears to the total number of county resident students enrolled in the school corporations located in the county. Revenue received by a school corporation under this item is considered miscellaneous revenue.

(2) After the distributions required under subdivision (1) are made, the remainder of the tax revenues deposited in the state pull tab wagering fund shall be paid as follows:

(A) Fifty percent (50%) shall be paid to the state general fund.

(B) Fifty percent (50%) shall be set aside for revenue sharing under subsection (d).

(d) Before August 15, 2004, and each year thereafter, the treasurer of state shall distribute the money deposited in the state pull tab wagering fund and set aside for revenue sharing under

subsection (c)(2)(B) to the county treasurer of each county that does not have a riverboat or a satellite facility authorized to sell pari-mutuel pull tabs according to the ratio that the county's population bears to the total population of the counties that do not have a riverboat or a satellite facility authorized to sell pari-mutuel pull tabs. The county auditor shall distribute the money received by the county under this subsection as follows:

(1) To each city located in the county according to the ratio the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be retained by the county.

(e) Money received by a city, town, or county under subsection (d):

(1) may not be used to reduce the unit's maximum levy under IC 6-1.1-18.5, but may be used at the discretion of the unit to reduce the property tax levy for a particular year;

(2) may be used for any legal or corporate purpose, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4; and

(3) is considered miscellaneous revenue.

Sec. 8. (a) Before the fifteenth day of each month a permit holder shall pay a fee to the commission for the promotion of horse racing that is equal to the percentage set forth in subsection (b) of the permit holder's net receipts from the preceding month.

(b) The fee required under subsection (a) is equal to the following percentages of the permit holder's net receipts:

Year 1	9%
Year 2	15%
Year 3 and each year thereafter	19.25%

(c) Money paid to the commission under this section must be distributed as follows:

(1) At least two hundred fifty thousand dollars (\$250,000) but not more than one percent (1%) is to be distributed in equal amounts for the support and operation of the following

horsemen's associations (as defined in IC 4-31-8-6):

(A) The horsemen's associations representing the standardbred owners and trainers.

(B) The horsemen's associations representing the thoroughbred owners and trainers.

(C) The horsemen's associations representing the quarterhorse owners and trainers.

(2) The remainder is to be distributed, in amounts determined by the commission, for the promotion and operation of horse racing, as follows:

(i) To a breed development fund established by the commission under IC 4-31-11-10.

(ii) To each racetrack that has been approved by the commission under this article. The commission may make a grant under this item only for purses, promotions, and routine operations."

Page 29, line 25, delete "pull tab wagering tax revenues," and insert "fees,".

Page 29, line 26, delete "IC 4-31-7.6-7." and insert "IC 4-31-7.6-8.".

Page 29, line 28, delete "pull tab wagering tax revenues" and insert "fees".

Page 35, after line 21, begin a new paragraph and insert:

"SECTION 40. [EFFECTIVE JULY 1, 2003] (a) If any provision of this act, as enacted or later amended, or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions that can be given effect without the invalid provision or application.

(b) Each part and application of every statute set forth in this act is severable. If any provision or application of any part of the act is held invalid, the invalidity does not affect the remainder of the act unless:

(1) the remainder is so essentially and inseparably connected with and so dependent upon the invalid provision or application that it cannot be presumed that the remainder would have been enacted without the invalid provision or application; or

(2) the remainder is incomplete and incapable of being executed in accordance with the legislative intent without the



1           **invalid provision or application.**

2           SECTION 41. [EFFECTIVE JULY 1, 2003] **The allowed cities (as**  
3 **defined in IC 4-31-2-1.5, as added by this act) are presented with**  
4 **unique challenges with regard to:**

5           **(1) the delivery, affordability, availability, and need for:**

6               **(A) housing;**

7               **(B) infrastructure;**

8               **(C) transportation;**

9               **(D) educational opportunities; and**

10              **(E) economic development for;**

11           **the residents of the allowed cities;**

12           **(2) the inability of the allowed cities to derive significant**  
13 **economic benefits, including employment and investment**  
14 **opportunities, from the presence of casino gaming operations**  
15 **because of the distance between the cities and Indiana's casino**  
16 **gaming operations; and**

17           **(3) the large number of exempt properties, the urban**  
18 **character of the community, the demands placed on the cities'**

1       **assets by commuters, tourists, and business visitors, and the age of**  
2       **many of the cities' systems and facilities."**

3       Renumber all SECTIONS consecutively.  
      (Reference is to HB 1598 as introduced.)

**and when so amended that said bill do pass.**

---

Representative Lytle